



# **BOARD OF DIRECTORS**

## **POLICIES & PROCEDURES**

**ADOPTED MAY 8, 2014**

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1. Purpose. The provisions of these policies and procedures ("Policies") are to assist the Board of Directors of Sacramento Metropolitan Fire District ("District") as it sets policy and conducts the business of that District. The purpose of these Policies is to supplement state law and to provide more specific guidelines for the actions of the Board of Directors of the District. These Policies express the consensus of the Board but are not intended to be exhaustive or to restrict the otherwise lawful authority of the Board.
2. Enduring Goals. The Board has adopted enduring goals for the District, which are normally reviewed on an annual basis (See Appendix A).
3. Officers. The officers of the Board of Directors shall be President, Vice President, and Secretary.
4. Duties of Directors – General. The Directors' duties shall be legislative in nature. They shall formulate and adopt policy for the operation of the District.
  - a. Open Meetings. They shall conduct their business for the public benefit, abiding by the California "Open Meeting Law".
  - b. Budgets. They shall review and adopt a preliminary budget by June 30 and adopt a final budget by September 30. Establishment of reserve accounts and transfer of reserve funds require approval by a minimum of two-thirds vote of the Board of Directors.
  - c. Human Resources. They shall establish Human Resources Policies that shall provide for the recruitment, selection, retention, evaluation and termination of District employees. Each annual budget will specify all Human Resources positions that are authorized and those authorized positions that are funded.
  - d. Fire Chief. They shall employ a qualified, competent person as a Fire Chief who will administer and supervise the District under the direction of the Board. The Fire Chief shall serve at the will and pleasure of the Board. The Board shall conduct annual job appraisal reviews of the Fire Chief.
  - e. Community Relations. They shall keep the Fire Chief informed of community opinion regarding the fire department's services and assist in building positive community relations. They will conduct meetings and the business of the District in a manner that encourages public participation.
5. Applicable Law. The Fire Protection District Law of 1987 (Health and Safety Code sections 13800 et seq.) governs the actions of the District and its Board of Directors.

6. Meetings. Meetings of the Board of Directors will be scheduled as follows.
  - a. Regular Meetings. Regular meetings of the Board of Directors will convene at 6:00 p.m. in the District headquarters on the second and fourth Thursday of each month with the exception of holidays or other scheduling conflicts. Regular meetings may be cancelled or additional meetings may be scheduled with the consent of the majority of the Board of Directors during a prior regularly scheduled Board meeting.
  - b. Special Meetings. The Board President or a majority of the Board may call special meetings of the Board of Directors contingent upon proper notification and posting.
  - c. Schedule of Meetings. Prior to the start of a calendar year, the Board will approve and have published the schedule of meetings for the upcoming calendar year.
7. Quorum. Law establishes a quorum as a majority of the total membership of the District Board. The District Board, which has a total membership of nine members, requires five members to conduct a meeting and requires five votes in agreement to pass a motion, resolution or ordinance.
8. Meeting Procedures. The proceedings of the Board shall be conducted in accordance with the provisions of law and the policies and procedures adopted by the Board.
9. Meeting Attendance. Members shall be in their respective seats at the time set for each regular meeting or any adjourned or special meeting. Members not present when the Board is called to order shall be designated in the minutes as absent. If a member arrives after a meeting commences, the recording secretary shall record the time of arrival.
10. Election of Officers. The Board shall elect a President, Vice President, and Secretary at the first regularly scheduled meeting in December of each year to serve throughout the subsequent calendar year. Upon the occurrence of a vacancy, the Board shall fill such vacancy. An interim election for Board Officers may be held upon approval by a majority of the Directors.
11. Responsibilities of the President. The President is responsible for the following:
  - a. Presiding at Meetings. The President, when present, shall preside at all meetings of the Board; shall take the chair at the time appointed for every Board meeting; and immediately call the members to order and proceed with the business of the Board.

- b. General Direction. Have general direction of the boardroom and assign seats for the use of the Board members and members of the staff as required.
  - c. Order and Decorum. Preserve order and decorum; prevent demonstrations; and, in accordance with law, order removal from the boardroom of any person whose conduct is deemed objectionable; and order the boardroom cleared whenever deemed necessary.
  - d. Length of Time for Public Discussion. Allocate the length of time for public discussion of any matter in advance of such discussion with the concurrence of the Board.
  - e. Other Responsibilities. Other responsibilities as may be prescribed by the Board.
  - f. Official Spokesperson/Representative. Shall be the official spokesperson and representative for the Board and the principal contact with legal counsel and the media.
12. Vice President. The Vice President shall act as President in the absence of the President.
13. Secretary. The Secretary is responsible for signing Board Action Minutes and shall act as President in the absence of the President and Vice President.
14. Agenda Organization. The business of each regular meeting of the Board shall be in the order as printed on the agenda or as directed by the President of the Board. Generally, this shall be as follows:
- a. Call to Order
  - b. Pledge to Flag
  - c. Public Comment on Consent Items and matters of public interest within District jurisdiction not on the Agenda
  - d. Awards – Years of Service and/or Commendations
  - e. Consent Agenda
  - f. Public Hearings
  - g. Action Items
  - h. Presentation Items
  - i. President's Report
  - j. Fire Chief's Report
  - k. General Counsel's Report
  - l. Committee and Delegate Reports
  - m. Informational Items
    - (1) Correspondence
    - (2) Newspaper Articles
  - n. Board Member Questions and Comments
  - o. Recess to Closed Session, if Necessary

- p. Reconvene to Open Session – Closed Session Report
  - q. Adjournment
  - r. Next Regular Board Meeting
  - s. Anticipated Action Items
  - t. Anticipated Presentation Items
  - u. President's Signature Block. Board Clerk is authorized to sign for for the Board President after consultation with the Board President.
  - v. Posted with Board Clerk's Signature Block and Date.
15. District Expenditure Policy. Expenditures of the District shall be made only in accordance with the District's Expenditure Policy as adopted by the Board.
16. Board Compensation and Benefits.
- a. Compensation: Effective January 1, 2003, members of the Board shall receive \$110.25 for each regular or special Board meeting attended for not more than four meetings in any calendar month as prescribed by the Fire Protection District Law.
  - b. Business Expenses: Members of the Board of Directors are allowed actual necessary traveling and incidental expenses incurred in the performance of official business of the District as approved by the District Board.
  - c. Health Care: Members of the Board of Directors who have continuously served in that position on or before June 30, 1994, are eligible to participate in District health plans. Members of the Board of Directors elected for the first time on or after July 1, 1994, or after a break in service from that position held on June 30, 1994, are not eligible to participate in District health plans.
  - d. Dental Care: Members of the Board of Directors are eligible to enroll themselves and their dependents in the District's dental care plan at a cost to the District not to exceed the maximum provided to other District employees. Enrollment in the District's dental care plan, solely as a member of the Board of Directors, will terminate at conclusion of service as a member of the Board of Directors, except for any continued participation at the election of the Member under the Consolidated Omnibus Budget Reconciliation Act (COBRA).
  - e. Vision Care: Members of the Board of Directors are eligible to enroll themselves and their dependents in the District's vision care plan at a cost to the District not to exceed the maximum provided to other District employees. Enrollment in the District's vision care plan, solely as a member of the Board of Directors, will terminate at conclusion of service as a member of the Board of Directors, except for any continued participation at the election of the Member under the Consolidated Omnibus Budget Reconciliation Act (COBRA).

- f. Life Insurance: Members of the Board of Directors are eligible to enroll themselves and their dependents in the District's life insurance plan at a cost to the District not to exceed the maximum provided to other District employees. Enrollment in the District's life insurance plan, solely as a member of the Board of Directors, will terminate at the conclusion of service as a member of the Board of Directors, except for any conversion or portability rights contained in the Plan.
- g. Deferred Compensation: Members of the Board of Directors are eligible to participate in the District's deferred compensation program. Participation in the District's deferred compensation program will terminate at conclusion of service as a member of the Board of Directors.

17. Attendance at Educational Conferences/Workshops

- a. Board members desiring to attend an educational conference or workshop at District expense must submit a letter of request, stating the total estimated cost, to the Board Clerk, as early as possible, prior to the event.
- b. Total Funding for all educational conferences or workshops for all Board members shall not exceed the amount annually budgeted for such expenses. Each Board member shall not exceed their individual annual allocation for such expenses unless approved by a majority of the Board.
- c. Board members will provide an informal oral report to the Board regarding any educational conference/workshop attended.

18. Public Hearing Procedure. Procedures at public hearings shall be as follows:

- a. Staff presentation/recommendations;
- b. Questions of the staff;
- c. Individuals speaking in support;
- d. Questions of individuals speaking in support;
- e. Individuals speaking in opposition;
- f. Questions of individuals speaking in opposition;
- g. Rebuttal (if any);
- h. Public input (if any);
- i. Board questions, discussion and disposition (Vote).

19. Fire Code Appeals.

- a. Filing of appeals shall be in conformance with Sacramento County Code, Title 17, Chapter 17.04, International Fire Code or municipal codes adopted by the Cities of Citrus Heights and Rancho Cordova and other cities incorporated within the Sacramento Metropolitan Fire District. Any person filing an appeal is encouraged to meet with the Fire Chief or the Fire Chief's

designated representative prior to the hearing date in an attempt to resolve the grievance. This meeting will not only afford an opportunity to resolve the grievance, but will also provide the Fire Chief an opportunity to formulate a recommendation to the Board of Directors that could include possible mitigation, alternatives, or concessions.

- b. The District Board shall schedule an appeal hearing to occur within 30 days after receiving the appeal. The appellant may request a later date for the hearing subject to approval by the Fire Chief.
  - c. The appellant shall be provided written notification of the date, time, and place of the hearing at least ten days prior to the hearing. The hearing on the appeal shall appear on the District Board's agenda as a Public Hearing.
  - d. The hearing shall be conducted in an informal manner, and the appellant and District staff shall be afforded the opportunity to present evidence and testimony on all relevant issues. Appellant may be represented at the hearing by counsel at appellant's expense. The provisions of the California Administrative Procedures Act (Government Code Sections 11500, et seq.) shall not apply to the hearings, nor shall any formal rules of evidence in civil or criminal judicial proceedings be applicable. The presiding officer may impose reasonable limitations on the number of witnesses heard, and on the nature and length of the testimony.
  - e. At the conclusion of the hearing, the appeal shall be placed on the agenda for the next regularly scheduled meeting of the District Board as an Action Item. The District Board shall decide the appeal based upon the evidence and testimony presented at the hearing, and any additional matters presented to the District Board at the next regularly scheduled meeting, in the discretion at the presiding officer. The District Board, on motion, may grant or deny the appeal, or issue such other direction to the Fire Chief as permitted under the International Fire Code or regulations promulgated thereunder by the County of Sacramento or municipal codes adopted by the Cities of Citrus Heights and Rancho Cordova and other cities incorporated within the Sacramento Metropolitan Fire District. The District Board shall direct the Clerk of the Board or staff to notify the appellant in writing of the District Board's action on the appeal within ten days.
20. Board Discussions. When any Board member wishes to speak, the Board member shall address the President. The President shall name the member who is first to speak and speakers shall confine their remarks to the questions under debate and avoid personalities. The President may elect not to recognize a Board member to speak again until all other members have had an opportunity to be heard.



21. Motions and Seconds. Each motion made by any member of the Board shall require a second. Any member of the Board including the President may make motions and seconds.
22. Roll Call Procedure. Roll call will be called in voting upon all motions, resolutions, and ordinances that govern the District.
23. Notification of Impending Absence. If any member of the Board is unable to attend a meeting, the Board member shall, if possible, notify the Board President, the Fire Chief, Board Clerk or designated representative prior to the meeting. Any member of the Board who will be unavailable for an extended period of time shall so inform the Board and is encouraged to complete a Special Meeting Waiver. The waiver provides that the District will not be responsible for providing written notices to the affected Board Member for Special Meetings pursuant to Government Code 54956 during the waiver period. This form may be obtained from the Clerk of the Board.
24. Clerk of the Board. The Clerk of the Board shall be an employee selected by the Board and the Fire Chief who shall attend each regularly scheduled meeting of the Board and maintain a written record of all proceedings thereof as required by law. If the Clerk of the Board cannot attend a meeting, the Fire Chief shall make arrangements to have someone in attendance to properly record the Board's proceedings. It shall be the duty of the Clerk of the Board to attest to all District Resolutions and Ordinances, and attend all closed sessions of the Board.
25. Agenda Preparation. The President of the Board of the District shall direct the preparation of the agenda by the Clerk of the Board for all regular Board meetings for delivery no later than three days prior to the posted meeting.

Board members or members of the public desiring to have a matter heard as an agenda item shall submit that item to the Board Clerk for consideration by the President of the Board pursuant to Paragraph 26 no later than seven days in advance of the next regularly scheduled meeting date.

The Board as a whole may agendaize future Board items by a majority vote.

26. Agenda Contents. The agenda shall include those matters designated by the President or a majority of the Board, complete with all appropriate documentation relating to each matter.

The agenda shall list the items for the Board's consideration by number with a brief statement of the subject matter for each of the items. The agenda may include suggested actions or recommendations.

Business Items will generally be listed on the agenda under one of the following categories:

- a. Consent Items. Consent Items are matters that are routine in nature including, but not limited to, approval of minutes, ratification of payments and claims, bid awards and approval of material expenditures within the budget, referral of issues from committees, and other non-controversial matters.

A member of the Board may request that any item on the Consent Agenda be moved to the Presentation or Action section of the agenda prior to the Board voting on the Consent Agenda.

- b. Action Items. Action items are matters that generally have previously been presented to the Board for consideration and are now scheduled for Board action.
- c. Presentations. A Business Item generally first appears on the agenda under the Presentation section of the agenda and on a subsequent agenda as an Action Item. A Business Item requiring immediate action may be agendized as an Action Item. A Presentation Item may be moved to the Action section of the agenda by a majority vote of the Board.
- d. Public Hearings. While members of the public may comment on any item on the agenda, Public Hearings are listed on the agenda separately to include those matters that may legally require a more formal process of receiving public input. (See public hearing procedures in Section 18).

Individual Board members wishing to distribute information on items on the agenda to the Board shall provide copies of the information to the Board Clerk no later than two workdays before the scheduled meeting.

Requests for comprehensive analysis, in-depth staff or consultant work shall be made as a request through the Board of Directors. Individual Board member requests for follow-up information or related items that can be met with minimal disruption to the operation of the District shall be made through the Fire Chief. In the event of competing issues, the majority of the Board shall make the final determination.

- 27. Non-Agenda Items. Any Board member or member of the public intending to introduce a special item not contained in the agenda shall provide copies of such items for each Board member and the public before the opening of the meeting.

The Board may not take action or discuss any item that does not appear on the posted agenda per Government Code section 54954.2. There are two (2) exceptions: 1) if the Board determines by a majority vote that an emergency, limited to work stoppages or crippling disasters, exist under Government Code section 54956.5 or 2) if the Board finds by a two-thirds vote of those present, or if less than two-thirds of the Board is present, by unanimous vote, that there is a



need to take immediate action on an item and the need for action came to the attention of the District subsequent to the posting of the agenda under Government Code section 54954.2(b).

28. Agenda Distribution. Written material given to a majority of the Board normally must be made available to the general public. The major exceptions to the obligation to provide the public with access to any writings distributed to members of the Board are those that deal with matters properly discussed in closed sessions or protected under Government Code section 6250 et seq. The Board has established a fee schedule for copies of public records.

29. Board Committees:

- a. The Board officers, including the President, Vice President, and Secretary constitute the Executive Committee of the Board, which is a standing committee. The Executive Committee will convene at 4:30 p.m. on the second Thursday in January at District headquarters. Special meetings of the Executive Committee will be held as necessary.

The Executive Committee shall appoint Board members to all other committees and delegate positions and for such other tasks as specifically authorized by the Board of Directors through adoption of the Executive Committee Charter (See Appendix B). The Executive Committee will appoint Board members to the following positions for a one-year term commencing with the first regularly scheduled Board meeting of the calendar year:

- (1) Three members and an alternate to the Finance and Audit Committee.
  - (2) Three members and an alternate to the Policy Committee.
  - (3) One member as delegate and another member as an alternate delegate to the Regional Fire and Rescue JPA.
  - (4) One member as delegate to both the California Special Districts Association and the Fire Districts Association of California.
- b. The Finance and Audit Committee is a standing committee which has authority for those tasks specifically authorized by the Board of Directors through adoption of the Finance and Audit Committee Charter (See Appendix C). Regular meetings of the Finance and Audit Committee will convene at 5:00 p.m. on the second Thursday of each month at District headquarters.
- c. The Policy Committee is a standing committee which has authority for those tasks specifically authorized by the Board of Directors through adoption of the Policy Committee Charter, (See Appendix D). The Policy Committee will convene at 5:00 p.m. on the fourth Thursday in January at District headquarters. Special meetings of the Policy Committee will be held as needed, generally on the fourth Thursday of the month at 5:00 p.m.

- d. The purpose of standing and ad hoc committees is to provide for oversight, review, and policy making and not to engage in management activities of the District.
  - e. The authority of standing and ad hoc committees is limited to providing recommendations to the Board of Directors for committee responsibilities as specified in a committee charter approved by the Board of Directors or as otherwise specifically authorized by the Board of Directors.
  - f. Standing committees have a continuing existence and must be authorized by the Board of Directors. Ad hoc committees may be authorized by the Board of Directors or by the Executive Committee for a single task and will exist until the task is completed. The Board of Directors may establish a committee of the whole Board by motion, resolution or charter, which must express the responsibility of the committee of the whole. A committee of the entire Board is chaired by the President of the Board with the Vice President of the Board to serve as alternate chairperson.
  - g. A charter for each standing committee must be approved by the Board of Directors and included as an appendix to the Board Policies and Procedures.
  - h. Standing committee members will be appointed annually following election of Board officers.
  - i. Members of each standing committee other than the Executive Committee and members of each ad hoc committee will select a committee chairperson and an alternate chairperson from their membership.
  - j. The chairperson of each standing or ad hoc committee is responsible for providing the Clerk of the Board an agenda at least five days in advance of each regularly scheduled committee meeting to permit compliance with public notification requirements.
  - k. The chairperson of each standing or ad hoc committee is responsible for providing the Clerk of the Board with a report of each committee meeting to include committee recommendations for inclusion with the agenda of the Board of Directors' next regular meeting subsequent to the committee meeting.
30. Audience Seating. Unless addressing the Board or entering or leaving the boardroom, all persons in the audience shall remain seated. It is the Board's intent to accommodate all persons who wish to attend open public meetings.

31. Public Communications. Public comment on items on the Consent Agenda and public comment for matters not listed on the published agenda will be heard under the Public Comment section of the agenda. Public comment for items listed on the agenda, other than Consent Items, will be heard at the time the matter is taken up by the Board.

Comments from individuals will be limited to three (3) minutes and comments from organizations will be limited to five (5) minutes. For matters not listed on the agenda, a maximum of 15 minutes will be allotted for a particular subject. The time limits may be extended by the Board's presiding officer or by a vote of the majority of the Board members present.

Written public comments addressed to the Board President, a Board Director, or a Board Clerk on agenda items or general District matters not on the agenda will be distributed by the Board Clerk to all members of the Board, when received in advance of the meeting. All written public comments addressed to the Board will be maintained by the Board Clerk as part of the official record of the Board meeting.

Members of the public requesting their written comments be read into the meeting record must be present or have a representative present to read their comments during the time allotted for public comment.

Members of the Board may ask questions of individuals speaking before the Board. However, in accordance with Open Meeting Laws, members of the Board may not discuss or deliberate on matters not listed on the published agenda.

32. Meeting Disruptions. The exception to the right of the public to attend all meetings of the Board applies to those who attempt to disrupt the conduct of the meeting. In the event that any meeting is willfully disrupted, by a group or groups of persons, and order cannot be restored by the removal of the individuals who are willingly interrupting the meeting, the Board President may order the meeting room cleared and continue in session. However, only matters appearing on the agenda may be considered in such a session. Duly accredited representatives of the press and other news media, except those participating in the disturbance shall be allowed to attend any session held pursuant to this exception.
33. Demonstrations Prohibited. Demonstrations during meetings prohibited.
34. Smoking Prohibited. Smoking is prohibited in the Board meeting room and in all District buildings.
35. Required Staff Attendance. The Fire Chief or Fire Chief's designated representative shall attend each regular and special meeting of the Board unless otherwise specified by the Board. All staff members required to attend Board meetings shall be compensated in accordance with applicable law and/or

employment agreements. Only those staff members specifically instructed to attend by the Fire Chief shall be deemed to be "required to attend" within the meaning of this section.

36. Legal Policies & Procedures. Staff is authorized by the Board to direct legal matters to the appropriate legal counsel as listed below.
- a. General Counsel – perform legal services as general counsel pursuant to the approved District job description.
  - b. Litigation Counsel – perform legal services as litigation counsel on the terms and conditions set forth in the Legal Services Agreement.
  - c. General Legal – all other legal issues will be collectively included under this category.
  - d. If one law firm consults another firm, the consulting firm will be responsible for the charges, not the District.

**ENDURING GOALS**

1. Ensure that the public served by the District continues to receive the best quality fire protection, fire prevention, fire safety education, emergency medical aid, and other emergency response services.
2. Ensure that the Board of Directors' management of District activities is accomplished in an open environment to promote responsiveness to public concerns and encourage participation by members of the public.
3. Foster productive community relationships with community entities and the public.
4. Provide appropriate and timely fiscal oversight to District operations.
5. Ensure that the District has a fully qualified management team capable of addressing future challenges and opportunities, and that District employees are fully qualified, well trained, properly equipped, and appropriately motivated to perform their duties.
6. Foster a productive working relationship with District management staff and promote a positive relationship with employee labor organizations.

**EXECUTIVE COMMITTEE CHARTER**

**I. Purpose**

The purpose of the Executive Committee is to provide for oversight, review, and policy making and not to engage in management activities of the District.

**II. Authority**

The authority of the Executive Committee is limited to providing recommendations to the Board of Directors for those responsibilities specified in the committee charter and such other responsibilities as may be assigned to this committee by the Board of Directors.

**III. Membership**

The officers of the Board of Directors, which include the President, Vice President, and Secretary, are members of the Executive Committee. The President of the Board of Directors is the Executive Committee chairperson and the Vice President is the alternate chairperson of the Executive Committee.

**IV. Meetings**

The Executive Committee will convene on the second Thursday in January for purposes of appointing Board members to all other committees and delegate positions for such other tasks as specifically authorized by the Board of Directors through the committee charter and the Board of Director's Policies and Procedures. Special meetings of the Executive Committee will be held as necessary.

The chairperson of the Committee will prepare an agenda with the Clerk of the Board in advance of each meeting. A majority of the members of the Committee shall constitute a quorum. The Board Clerk shall prepare Action Minutes of each meeting for approval by the Committee.

Meetings of this committee will normally be open for public participation but may be closed provided that such closure is fully in conformance with California's Ralph M. Brown Act.

The Committee shall, through its chairperson, report regularly to the Board following the meetings of the Committee.

## **V. Scope of Responsibilities and Duties**

1. Appoint members of the Board of Directors to serve annually on standing committees and to ad hoc committees of the Board of Directors as needed until the task of each ad hoc committee is completed and appoint members as delegates to external bodies.
2. Participate in reorganization meetings, as authorized by the Board of Directors, with other fire protection agencies that have expressed an interest in reorganization with the Sacramento Metropolitan Fire District.
3. Review proposals developed by staff regarding issues referred to this committee by the Board of Directors and provide recommendations for consideration by the Board of Directors.
4. The committee will review staff proposals that have been approved by the Fire Chief, proposals submitted by members of the Board of Directors, and proposals received from sources external to the District for those responsibilities specified in the committee charter, and such other responsibilities as may be assigned by the Board of Directors.
5. Committee members or the Fire Chief may submit alternatives to committee recommendations for consideration by the Board of Directors.



## **FINANCE AND AUDIT COMMITTEE CHARTER**

This Finance and Audit Committee Charter was adopted by the Board of Directors of the Sacramento Metropolitan Fire District on this 11<sup>th</sup> day of July, 2013.

### **I. Purpose**

The purpose of the Finance and Audit Committee shall be to (1) assure that the District's Board fulfills its responsibilities for the District's audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and (2) provide an avenue of communication between management, the independent auditors, the internal auditors, and the Board of Directors.

### **II. Authority**

The Finance and Audit Committee receives its authority and its assignments from the Board of Directors. The Committee regularly reports to the Board. The Committee has direct authority and responsibility to select, appoint, compensate, evaluate and, where appropriate, replace the independent auditors. The Committee has direct access to the independent auditors as well as access to anyone in the District. The Committee may investigate any financial activity of the District. The Committee has the ability to contractually bind the District, commit the District to pay for services, expenses, or other costs, and retain, at the District's expense, special legal, accounting or other consultants or experts, all as it deems necessary in the performance of its duties subject to availability of Board-approved appropriations. The District will provide appropriate funding for its expenses and for payment of compensation to auditing firms and other advisors it determines necessary to carry out its duties.

### **III. Membership**

- A. The current Finance Committee will be renamed "Finance and Audit Committee". The officers of the Board of Directors will annually appoint three members and an alternate to serve on this committee. The members of this committee will select a committee chairperson and an alternate chairperson from their membership.
- B. All members of the Committee shall be independent of the District's management and free of any relationship that, in the judgment of the Board, would interfere with their exercise of independent judgment as Committee members. Members will not have an interest in the organization or engage in related party transactions that would have a material adverse effect on their independence or ability to act in the best interest of the stakeholders.



- C. All members of the Committee shall possess or obtain basic understanding of governmental financial reporting. They shall also gain a basic understanding of overall compliance requirements for the grants awarded to the District. The Committee may consult with the Chief Financial Officer to assist it in the performance of its duties.

#### **IV. Meetings**

- A. The Committee shall meet as frequently as circumstances dictate, but no less than four times annually. The chairperson of the Committee shall approve the agenda prepared by the Board Clerk in advance of each meeting. A majority of the members of the Committee shall constitute a quorum. The Board Clerk shall prepare Action Minutes of each meeting for approval by the Committee.
- B. The Committee shall, through its chairperson, report regularly to the Board following the meetings of the Committee, addressing such matters as the quality of the District's annual financial statements, compliance with legal or regulatory requirements, the performance and independence of the external auditors, resolution of internal control findings, or other matters related to the Committee's functions and responsibilities.
- C. Meetings of this committee will be open for public participation.

#### **V. Scope of Responsibilities and Duties**

##### **A. Committee Review**

1. Review and reassess the adequacy of this charter biennially and submit the charter to the Board of Directors for approval if changes are necessary.
2. Annually self-evaluate the Committee's performance of its responsibilities. For this purpose, a self-assessment questionnaire can be developed with the assistance of the CFO. The questionnaire may ask members to address questions regarding:
  - performance of each activity identified in this charter
  - opinion of committee members about the performance of the committee in the past year
  - any changes that should be made for the following year

##### **B. Independent Auditors**

1. Approve audit services and any permissible non-audit services prior to the commencement of the services.

2. Before engaging the services of an audit firm or extending an audit contract, the Committee shall review the independence and performance of the independent auditors and retain or discharge the independent auditors as circumstances warrant. It shall prescribe such policies and procedures as it deems appropriate pertaining to relationships with the independent auditors, including clear hiring policies for employees and former employees of the independent auditors. An audit firm may not perform any audit service for the District if the District's CFO or Controller was employed by that firm and participated in any capacity in the audit of the District during the one-year period preceding the date of initiation of the audit.
3. On an annual basis, receive the independent auditor's "Communication with Those In Charge with Governance" letter and review all significant relationships the auditor has with the District to determine the auditors' independence and objectivity, including non-audit services and the fees proposed and charged therefore. It shall take appropriate action in response to these matters to satisfy itself of the auditors' independence.
4. At least annually, obtain and review a report by the independent auditors describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditors' independence) all relationships between the independent auditors and the District.
5. Discuss the independent auditor's audit plan for upcoming audits with the Chief Financial Officer or their designee at a scheduled Finance and Audit Committee public meeting before the start of the auditor's fieldwork.

#### C. Financial Reporting and Internal Controls

1. Review the District's annual audited financial statements with the independent auditor in open session. The review should include discussion of significant issues regarding accounting principles, practices, audit findings, disclosures, judgments and any other requirements under accounting standards and rules.
2. Work with management to review the adequacy of the District's system of internal controls over accounting and financial reporting and address reports of variance from those controls.

#### D. Other Finance and Audit Committee Responsibilities

1. Review complaints received by the District through its employee hotline regarding accounting, internal accounting controls, or auditing matters.

2. Perform any other activities consistent with this Charter, the District's by-laws, and governing law, as the Committee or the Board deems necessary and appropriate.
3. Periodically, but at least annually, review materials or receive education on new accounting and auditing-related developments and best practices.

**POLICY COMMITTEE CHARTER**

**I. Purpose**

The purpose of the Policy Committee is to provide for oversight, review, and policy making and not to engage in management activities of the District.

**II. Authority**

The authority of the Policy Committee is limited to providing recommendations to the Board of Directors for those responsibilities specified in the committee charter and such other responsibilities as may be assigned to this committee by the Board of Directors.

**III. Membership**

The officers of the Board of Directors will annually appoint three members and an alternate to serve on this committee. The members of this committee will select a committee chairperson and an alternate chairperson from their membership.

**IV. Meetings**

The Policy Committee will convene on the fourth Thursday in January for purposes of selecting a committee chairperson and an alternate chairperson. Special meetings of the Policy Committee will be held as necessary.

The chairperson of the Committee will prepare an agenda with the Clerk of the Board in advance of each meeting. A majority of the members of the Committee shall constitute a quorum. The Board Clerk shall prepare Action Minutes of each meeting for approval by the Committee.

Meetings of this committee will be open for public participation.

The Committee shall, through its chairperson, report regularly to the Board following the meetings of the Committee.

## **V. Scope of Responsibilities and Duties**

1. Review District personnel proposals, including workers' compensation claims and provide recommendations for consideration by the Board of Directors.
2. Review District policy proposals including service delivery standards, proposals for change in District services, and other policy matters referred to this Committee by the Board of Directors.
3. Review proposals regarding issues referred to this committee by the Board of Directors and provide recommendations for consideration by the Board of Directors.
4. The committee will review staff proposals that have been approved by the Fire Chief, proposals submitted by members of the Board of Directors, and proposals received from sources external to the District for those responsibilities specified in the committee charter, and such other responsibilities as may be assigned by the Board of Directors.
5. Committee members and the Fire Chief may submit alternatives to committee recommendations for consideration by the Board of Directors.